

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

Marshall Broadcasting Group, Inc.,
Debtor

CHAPTER 11

CASE NO.: 19-36743

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF FOX BROADCASTING
COMPANY, LLC AND FOX NEWS NETWORK, L.L.C. TO SALE
PROCEDURES MOTION [DOC. 113]**

Fox Broadcasting Company, LLC and Fox News Network, L.L.C. (collectively, “Fox”), hereby objects on a limited basis to the sale procedures motion [Doc. 113] (“Motion”) filed by Marshall Broadcasting Group, Inc. (“Debtor”), as follows:¹

Fox and Debtor are parties to three Amended and Restated Station Affiliation Agreements (the “SAA”) for three affiliated stations, KLJB (Davenport), KMSS (Shreveport) and KPEJ (Odessa), as well as parties to various ancillary and related agreements. Fox is informed and believes that a valuable component of the proposed Sale – if not the most valuable – is the potential assumption and assignment of the SAA to the Buyer. The SAA is also valuable to Fox. The SAA requires Debtor to pay a recurring monthly affiliate fee (“Affiliate Fee”) which, for January 2020 through December 2020, is \$1,162,250.25 per month.

The timeline proposed by the Debtor in the Motion does not provide Fox with reasonable or sufficient notice to determine whether any supposedly Qualified Bidder or ultimate Buyer as determined by the Debtor can provide adequate assurance to Fox of future performance, and whether or not Fox should determine to object to the assumption and assignment of the SAA. The timeline also seems too compressed for resolving the Cure Amount owed to Fox, which will

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

likely be the largest Cure Amount of any anticipated assumed and assigned contract, and a principal item of interest for every potential bidder.

Fox is in the process of reconciling the amounts owed to it by Debtor on both a pre-petition and post-petition basis, and has begun discussing these items with the Debtor. Fox presumes that the Debtor is likewise performing a reconciliation on its end to accurately file its initial Cure Notice by the February 28, 2020 proposed deadline set forth in the Motion.

Based upon the above and the Motion, Fox requests that any order approving the Motion modify the Proposed Sale timeline as below.

First, Fox requests that the deadline for Debtor to provide Fox with a Cure Notice be advanced from February 28, 2020 to February 21, 2020, so that the parties have additional time to reconcile what they believe is owed and to resolve any differences.

Second, Fox should be provided copies of all of the bids upon the earlier of their receipt by the Debtor or by close of business on the Bid Deadline on March 12, 2020. This will provide Fox with a similar amount of time as the Debtor to evaluate whether a Qualified Bidder is acceptable to Fox and can be expected to perform.

Third, Fox should be provided with service copies of all notifications to Qualified Bidders sent out by the Debtor by the proposed March 16, 2020 deadline.

Fourth, Fox should be entitled to attend and observe the Auction, if one is held.

Fifth, Fox should be immediately notified by email and telephone upon the conclusion of the Auction as to the winning bidder.

Sixth, instead of having just one day after the Auction to file an objection, Fox should be provided at least until Monday, March 23, 2020 to object to assumption and assignment of the SAA, to the Cure Notice and any Cure Amount.

Lastly, Fox presumes that Debtor is already aware of the identities of the most likely Qualified Bidders in addition to Mission, which is already identified in the Motion. Fox therefore requests that any order authorizing the Motion include language requiring the Debtor to share such information with Fox as it becomes available, so that Fox can consider it on a

deliberate and not rushed basis.

Fox reserves all rights with respect to the Sale and its ability to object, including, without limitation, pursuant to 11 U.S.C. §§ 365(b), (c) and (e)(2).

DATED: February 6, 2020

Respectfully submitted,

/s/ David A. Wender

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Pro Hac Vice to be filed

Attorneys for Fox Broadcasting Company, LLC and
Fox News Network, L.L.C.

CERTIFICATE OF SERVICE

I hereby certify that on the 6th day of February, 2020, a true and correct copy of the foregoing **LIMITED OBJECTION AND RESERVATION OF RIGHTS OF FOX BROADCASTING COMPANY, LLC AND FOX NEWS NETWORK, L.L.C. TO SALE PROCEDURES MOTION [DOC. 113]** was served via CM/ECF to all parties authorized to receive electronic notice in this case.

/s/ David A. Wender
David A. Wender